

MINUTES
INDUSTRIAL MINERALS ADVISORY COUNCIL (IMAC)
MARCH 4, 2009
MISSOURI DEPARTMENT OF NATURAL RESOURCES (MDNR)
DIVISION OF GEOLOGY & LAND SURVEY (DGLS)
111 FAIRGROUNDS ROAD
ROLLA, MISSOURI

MEMBERS PRESENT: Mr. Bill Duley, Acting Chairperson, Department of Natural Resources; Mr. Steve Rudloff, Missouri Limestone Producers Association; Mr. Victor Nahlik, Winter Brothers Materials; Mr. Dave Keller, Harbison-Walker Refractories, Inc.; Ms. Cheri Summa, Fred Weber, Inc.; Mr. Dave Ahlvers, Missouri Dept. of Transportation

MEMBERS ABSENT: Mr. B. Scott Lacy, Lafarge, Inc.; Mr. Chris A. Upp, Conco Quarries, Inc.; Mr. Daniel C. Rowe, Unimin Corporation

STAFF PRESENT: Mr. Jerry Prewett, Geologic Resources Section Chief; Mr. Pat Mulvany, Industrial Minerals Unit Chief; Mr. Justin Davis, Industrial Minerals Unit Geologist; Ms. Jane Williams, Industrial Minerals Advisory Council Secretary; Ms. Hylan Beydler, Public Information Officer

VISITORS PRESENT: Mr. Tom Thompson, Retired DGLS employee

Mr. Bill Duley brought the meeting to order at 10:14 a.m.

WELCOME, INTRODUCTIONS, AND DNR/DGLS BUDGET UPDATE

Mr. Duley welcomed the Council to the third meeting of the IMAC. Mr. Duley commented that Mr. Joe Gillman sends his regrets that he is unable to attend today's meeting. Mr. Mark Templeton, the new director of the Department of Natural Resources, is supposed to be confirmed in the Senate today. State revenue is down and is anticipated to continue on a downward direction. The Governor's recommendation for DGLS for FY10 is a core reduction of about 4 FTE. This equates to approximately \$160,000. Division management is currently working with DNR management to work through this reduction. There should be no direct impact to the Industrial Minerals staff. Mr. Rudloff asked if it is mandated that we cut 4 FTE or are there administrative costs or other funding that could be reduced. Mr. Duley stated that it depends on what the final budget actually states. If it states that we must lose 4 FTE then we will have to lose 4 FTE. There are things that could change that reduction amount. Mr. Duley explained that the General Revenue portion of our budget has been going down for several years.

MINUTES OF THE SEPTEMBER 23, 2008, MEETING

Mr. Prewett asked for a motion for the previous minutes to be accepted. Mr. Nahlik made a motion to accept the minutes of the meeting held on September 23, 2008, as circulated. Mr. Ahlvers seconded the motion. Motion carried.

PROPOSED MEETINGS SCHEDULE DISCUSSION

Mr. Prewett reminded the Council that Mr. Mulvany had sent out an email in January asking for input regarding a meeting schedule for this group. Mr. Prewett explained that our proposal was to meet face to face in March and December, possibly having the meeting in December in conjunction with the Missouri Limestone Producers Association (MLPA) meeting. Then have a conference call meeting for the other two quarterly meetings. Mr. Rudloff commented that the MLPA meeting is a joint meeting with the Mining Industry Council (MIC) and should be referred to that way. He suggested the meeting would need to be Wednesday or Thursday morning if we wanted to give the MIC people the opportunity to attend. Mr. Keller suggested having face to face meetings in June and December, and teleconference meetings in March and September. Mr. Prewett suggested that we set the meetings up according to Mr. Keller's suggestion. Mr. Prewett stated that Mr. Mulvany would coordinate with Mr. Rudloff to coordinate the IMAC meeting at the MLPA meeting in December. Mr. Rudloff suggested that we could coordinate that with the MIC group also. Mr. Ahlvers suggested talking about video conferencing the March and September meetings. He stated that the district offices have that capability and would be happy to allow us to use it if needed. Mr. Prewett said we should look into that. Mr. Duley stated that MDNR also has video conferencing available at all the regional offices. Mr. Prewett suggested meeting face to face in June to get on the new schedule. We will try to prepare for video-conferencing after that.

ECONOMIC STIMULUS DISCUSSION

Mr. Duley explained that DNR has an oar in the water on the stimulus package dealing with energy, drinking water, and sewage. Every state agency is working hard to get these stimulus dollars and distribute them into the economy. DNR also has a diesel emission reduction program. We have been looking for opportunities for pass through type dollars. This Division hasn't been too successful seizing those dollars. Some ideas discussed have been statemap, carbon sequestration, energy from coal, seismic hazards, and equipment upgrades.

Mr. Ahlvers stated that he has tried to look for something from the transportation section that would help this group, but so far has been unsuccessful. He did say that he would continue to look. Mr. Ahlvers stated that the information he is about to reveal is to be considered draft. For MODOT, the stimulus amount is about \$525 million. He stated that they are being asked to promote projects in economically depressed areas. They are also asking them to look for projects that promote job growth, economic development, and job creation. MODOT is putting together a list of projects and has already awarded five projects. MODOT has 32 projects that add up to about \$90 million, if the commission approves those today. A lot of work will hit the road in the next six months for MODOT. If you don't spend your money within the allotted time period, it goes to other states. On top of the \$525 million going to MODOT, there is \$58 million going to St. Louis, \$28 million going to Kansas City, and \$7 million going to Springfield. This is money that goes directly to these areas for their transportation and not to MODOT. Mr.

Ahlvers wants everyone to realize that these numbers are all draft numbers. The numbers change daily.

Mr. Rudloff stated that a complicating factor as far as material suppliers go when bidding for these jobs is concerns about fuel consumption. In addition, the projects start cycling quickly and you are waiting to get paid for one job and needing to go on to the next project. Because of the banking business situation, there is always the concern of whether short-term financing will be available to remedy this problem. Mr. Ahlvers stated that they do allow a fuel index to contractors, but maybe this needs to be looked at further for the suppliers as well.

Mr. Ahlvers asked his person looking into the stimulus package to look for anything that could help this group of industry. Mr. Rudloff asked if this new money would be for new site work or refurbishing areas that are already there. Mr. Ahlvers stated that it is a combination. He thinks that within 30 days he might be able to break out the projects that will be affected by this stimulus money.

Mr. Prewett reminded the group about all of the information that is housed here at DGLS that would be very beneficial to MODOT and the industry. The problem is having enough staff to go through that information and make it available. Mr. Prewett stated that Mr. Mulvany and Mr. Davis are doing a very good job getting this information organized and available, but it takes a long time to do it. Mr. Ahlvers stated that they have a map that shows all the projects that are in the 5 year plan. He asked if it would be helpful to put a link on the website to that map. Mr. Prewett stated that it would be a great idea to put that link on our Industrial Minerals Web Page. Mr. Prewett and Mr. Ahlvers agreed to work together to get that information put on the IMAC website.

Mr. Ahlvers brought up the issue of taking sand out of the Missouri River. There is an initiative out there to limit the amount of natural sand taken out of the Missouri River. If MODOT cannot get natural sand, they may need more sand from the industry. Mr. Keller asked where this initiative is coming from. Mr. Prewett said he believes this comes from the Corps of Engineers. Mr. Ahlvers stated that the concern is degradation of the channel. Mr. Prewett stated that Mr. Mulvany and he had the opportunity to comment on this Environmental Impact Statement. They did state that they had concerns about how this would impact the industry. Mr. Rudloff asked if the comments, when they are made public, could be circulated around as an indication of what DGLS is doing for industry. Mr. Keller asked if manufactured sand is higher in cost than natural sand. Mr. Ahlvers stated that it is higher in cost.

Mr. Duley stated that he has a comment that doesn't really fit under the stimulus discussion. We would like to start a rulemaking process in support of the statutes. This is just to clarify the Council statutes. We would not be changing the fee structure. We are interested in better defining our role as a Council. Mr. Rudloff asked if a draft of this rulemaking would be given to this group first and Mr. Duley clarified that it would.

GEOLOGIC RESOURCES FUND FINANCIAL REPORT

Mr. Mulvany explained that the cash balance in the geologic resources fund as of the end of February is \$224,437. The increase in the last month was the lowest ever. Mr. Rudloff asked if this fund could be swept. Mr. Mulvany stated that according to the statutes, this fund cannot be used for any other purpose other than for those things related to the Industrial Minerals Industry.

INDUSTRIAL MINERALS UNIT WORK ACTIVITIES UPDATE

Mr. Mulvany explained that they work daily on inquiries that come into the Division. They are also working with the State Archives to get some of our historical materials stored with them. Some of this old information needs to be preserved. Mr. Mulvany explained that they participated in the MLPA annual convention during the first week of December, 2008. They participated in an interface teacher's workshop that was held at Tan-Tar-A in February, 2009. It was a good opportunity to meet with some primary and secondary school teachers in the state of Missouri. We have been working with Tom Thompson on the Cambrian RI-70. This includes field work, visiting quarries, etc. There will be a section in this part of RI-70 listing quarries that have the Cambrian rocks. They did find a shed full of old drill core from Ozark Exploration Corp. in an area near Decaturville. The core was very old and we salvaged the core and brought it back to the Core Library. A lot of it will be incorporated with our core. Some of it will be used to give away at workshops, etc. Mr. Mulvany is involved in an Engineering Geology Volume by Association of Engineering Geologists (AEG) that will be published here at DGLS. Mr. Mulvany is serving as the coordinator of the Methods of Practice section of this publication. Mr. Mulvany explained that we will be participating in the Missouri Minerals Education Foundation (MMEF) teacher's workshop that will be held in July, 2009. We hope to be more prepared to purchase things to give to the teachers at the workshops. He feels that we could pay for the fossil sets and some crystal sets, etc. Mr. Mulvany stated that we want to go into more detail on a couple of items. The first item is the Industrial Minerals webpage. As decided in the last meeting, we have been working on the mineral Barite to be first on the webpage. The next project anticipated is to revise the Land Reclamation Program Database fields on the GIS product to be more useful for us and to other people. Another project for us will be the Bibliography of Missouri Geology database.

Mr. Davis stated that the project he has currently begun is the Land Reclamation database and the Industrial Mines GIS database. He stated that it lacks in detailed geology. We would like to append or add more detailed geologic information to include specifics on the produced product. Mr. Rudloff asked if you might be getting into an area of product sensitivity. Mr. Mulvany stated there would be no column for quality or physical properties. They intend to just add some fairly general information. Mr. Davis stated that he would be mindful of how detailed the information would be. This is intended to help those people who are looking to buy a product.

Mr. Davis explained that the second thing he wants to talk about is the Barite website. This was the first project that he worked on when he began his employment at the Division. He spent about three months putting this information together and creating an

electronic bibliography with respect to all of Missouri's barite resources. Mr. Davis wants the Council to be mindful that this is a draft work in progress. Mr. Davis went on-line to show the Council the Barite webpage and gave them a brief presentation of what is included on the page. Mr. Keller suggested putting the county name referencing the pictures that are on the page. Mr. Rudloff suggested that including captions with each photo would be good historical information. Mr. Keller asked if you will link the bibliography with it. Mr. Davis stated that he would do that. Mr. Davis stated that our public relations and web designer, Hylan Beydler, helped put this page together. Mr. Keller asked what kind of searching capability would be available in order for the layman who might not know that barite is called tiff. Mr. Mulvany suggested that you could put tiff in parenthesis by the barite name. Mr. Rudloff stated that he thinks this is great information.

Mr. Mulvany did remind the Council that it does take a lot of time to research and put this information together. Mr. Mulvany explained how difficult it is to get all the information together for each commodity. Mr. Mulvany explained how the survey, in years past, had published several bibliographies of the geology of Missouri. We have been putting all the information from these bibliographies into a database to make this whole process much faster. Mr. Mulvany did a brief presentation on the retrieval of information from the database.

Mr. Davis expressed how much time this will save in the future when they are asked for information on specific commodities, etc.

SCHEDULE NEXT MEETING DATE

Ms. Summa wanted to remind the Division that she and Mr. Rudloff's terms expire next month. Mr. Rudloff suggested getting his position filled since he is just the interim in the position. Mr. Prewett stated that he would look into this and get back to them by email or phone. Mr. Prewett suggested the 17th of June for the next meeting. Council agreed on that date. Mr. Prewett stated that if we must move it we will let them all know.

Council broke for lunch at 12:12 p.m.

OPEN DISCUSSION

Council reconvened after lunch at 12:45 p.m. Mr. Prewett opened the floor for open discussion. Mr. Keller was very happy to see that we are working on getting our information in a searchable format as we had discussed in previous meetings. Mr. Duley asked if we have a link to these publications on line. Mr. Mulvany stated that we are working on that with Information and Technology Services Division (ITSD). Mr. Prewett stated that this is a goal for us. Mr. Keller wanted to remind everyone that DGLS needs to stay focused so that the work that they do benefits the industry. Mr. Prewett stated that we appreciate the support that the Council gives us to try and get this information put together, which will in the long run help the industry out. Mr. Rudloff asked how many books it will take to get this database set up. Mr. Mulvany stated that there are actually around ten books or so. Mr. Duley stated that we would set this page up to focus on reports that would be specific to industrial minerals. Mr. Prewett did

explain that we try very hard to make sure the work we are doing is related to industrial minerals. The Council decided that there was nothing more to discuss.

Meeting was adjourned at 1:06